Strategic Plan

2002 - 2006

Focus on Prevention and Early and Safe Return-to-Work

WORKPLACE HEALTH, SAFETY & COMPENSATION COMMISSION

WHSCC

Newfoundland and Labrador

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Foreward

To All Our Stakeholders:

On behalf of the Board of Directors, Management and Staff of the Workplace Health, Safety and Compensation Commission, I am pleased to present the Commission's new strategic plan for 2002 to 2006.

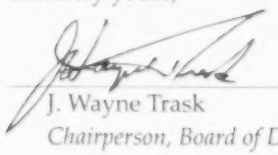
Strategic planning is the process by which an organization envisions its future and develops the necessary goals, objectives, strategies and operations to achieve that future. By building on the recommendations of the Task Force Report on Worker's Compensation, that's exactly what we have done in this strategic plan.

This document represents our strategic plan for the next five years, and will provide a roadmap of measurable goals and key performance indicators to assist in tracking our results. A strategic plan is not stagnate and the Commission will review the plan on a regular basis and modify targets accordingly. We will report annually on our progress.

This plan derives from the consensus view reached by our stakeholders from the Task Force process on the broad strategic direction needed to achieve a fair, affordable and sustainable workers' compensation insurance system in this province. By following through on the "Changing the Mindset" Task Force Report on Workers' Compensation, and our new strategic plan, the Board of Directors believes it has the right formula to fix the workers' compensation system permanently.

I look forward to working with you as we progress through the plan.

Sincerely yours,



J. Wayne Trask
Chairperson, Board of Directors

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1.0 INTRODUCTION

The Workplace Health, Safety and Compensation Commission (the Commission) of Newfoundland and Labrador is setting the stage for renewal. This document defines the strategies we are establishing which focus on our new Mission and respond to the findings in the Task Force Report and the Business Process and Information Technology Review, prepared by an independent consultant.

This plan will be a challenge for employers, workers, injured workers, health care providers, the provincial government, and our staff as we embark on the change necessary for the sustainability of the workers' compensation system.

In the fall of 2000, the Government of Newfoundland and Labrador launched a complete review of the provincial workers' compensation system. For the first time, a Task Force of five members from the Board of Directors carried out this review. The final report, "Changing the Mindset," was presented to Government on February 15, 2001 and all the core legislative amendments were subsequently enacted to support the report's recommendations. The Task Force Report lays out a comprehensive plan for the future that has the unanimous support of the Board of Directors. The report defines the roles and responsibilities of all stakeholders and goes beyond what the Commission should be doing, it's what we all must do.

The Commission's focus is to build consensus and lead by example. We will show our willingness to make fair and prudent decisions so the workers' compensation system survives for future generations. We must inform, educate, and reach out to those who depend on the system and those who have the ability to shape the system. We will do more to connect with our stakeholders and communicate system changes and impacts.

An achievable plan has been laid out for the Commission, government, and stakeholders. The days of "quick fix solutions" are gone. We need to get back to what this system is all about, providing a fair, affordable and sustainable INSURANCE system for the people of Newfoundland and Labrador. Within the next few years, we can be part of a whole new system that has fewer injuries because we are preventing them at the workplace. We can also have more injured workers accommodated back into the workforce because the workplace parties and health care providers better understand their roles. These changes will lessen the demands on the system and when this happens, we will be able to offer employers more competitive assessment rates and enhanced benefits for injured workers.

We cannot embark on this new plan alone. Enhancements to the workers' compensation system will require ownership by all stakeholders. As we move forward, we will use an integrated approach that involves all stakeholders to solidify a united attitude towards fixing the system. We believe that changing the mindset of all parties – injured workers, employers, health care providers, organized labour, the provincial government and our staff can make a difference.

We all have an opportunity to participate in bringing the workers' compensation system back to what it was always intended to be – a fair, affordable, and sustainable insurance system.

2.0 STRATEGIC PLAN

Change is underway and our staff has been working diligently on all fronts to implement the recommendations of the Task Force Report. The foundation has been laid, but many challenges still lie ahead.

As we endeavour to make the right and appropriate changes, our trip will be easier if we know with confidence where we are heading and what impacts we can expect along the way. This strategic planning document will assist us by providing a roadmap of strategic goals and the key performance indicators to assist in tracking our progress.

A strategic plan is about direction and no plan can anticipate all contingencies. By necessity, the planning process must be a fluid one with goals that are responsive to change as we make progress and as changes occur in our environment. The plan will be reviewed on a regular basis, and modified accordingly so that our activities always remain relevant and properly focused.

2.1 Our Mission

Our revised Mission will focus on how we will meet our stakeholder expectations in the current changing business climate.

MISSION

Utilizing skilled, professional employees, in partnership with workplace parties, we will facilitate safe and healthy workplaces by assisting employers and workers to prevent accidents, and manage workplace injuries/illnesses and return-to-work processes.

Operating as the administrator of the workers' compensation insurance program, we will provide a reasonable level of benefits to injured workers and their dependents based on reasonable assessment rates for employers, while maintaining or exceeding service level performance when compared to other jurisdictions in Canada.

Key Elements of the Mission Statement:

- Employees will be skilled and provide service in a professional manner. The Commission will provide training to ensure employees are prepared to meet changing demands and assist in their development. They will be encouraged to participate in education that is related to the working environment of the Commission. They will be encouraged to use their knowledge to promote continuous improvement and process change. The Commission commits to appropriate staff recognition.
- This is a partnership with workplace parties; the Commission is not in this alone.
- Our key intent is to reduce the incidence of injury and illness in the workplace. The Commission doesn't own or manage the workplaces, but we desire to see them healthier and safer. We are prepared to assist employers and workers in this endeavour to reduce the incidence of injury and illness, and enable the early and safe return to work of injured workers.
- We are administering an insurance program that belongs to the workers and employers of Newfoundland and Labrador. We will work in a professional manner towards a sustainable system while providing reasonable benefits at reasonable assessment rates.
- All Canadian workers' compensation systems are focused on improvements in various areas. We will meet the challenge and monitor our progress relative to others utilizing a consistent set of measures for Canadian jurisdictions.

2.2 Key Goal Areas

We have established six key goal areas, tied back to our Mission.

A. Prevention Focus Achieving Results

B. Injured Workers and Employers Better Served

C. Financially Secure

D. Stakeholders Sharing Responsibility for Changes

E. Commission Operating More Efficiently

F. Knowledgeable Employees Satisfied and Retained

These bring a balanced view that includes employers and injured workers as clients, and health care providers as partners. They ensure a focus on the development of employees and their inclusion in process improvement. Financial health is recognized as imperative for survival of the system, and the challenge to provide high quality service to injured workers and employers will be a high priority. Prevention of workplace injuries and illnesses is a principle we will

foster. We will promote a culture of commitment on the part of employers, workers, government and ourselves to a higher standard of occupational health and safety.

A key issue arising out of the Task Force consultation process was employers' concerns over the assessment rates they pay. A key outcome of this plan will be a reduction in the average assessment rate when compared with the rest of Canada and, in particular, the other Atlantic provinces. Currently, the gap in the average assessment rate with the other Atlantic provinces is quite large. The 2001 average assessment rate charged by the other Atlantic provinces was $2.14 versus the $3.24 average assessment rate charged in this province. Therefore, the average assessment rate was 51% higher than our Atlantic counterparts, on average. To be fully funded by the year 2020, Newfoundland and Labrador employers should have been paying an average assessment rate of $3.98 in 2001.

On the benefits side, our long-term income replacement rate currently stands at 80% of net income versus 85% in the other Atlantic provinces. Our short-term income replacement rate is 80% of net income. In Nova Scotia the short-term rate is 75% for the first 26 weeks and Prince Edward Island's rate is 80% for the first 39 weeks. In New Brunswick, their rate is at 85%. There is a waiting period for benefits of two and three days in Nova Scotia and New Brunswick, respectively. There is no waiting period in this province.

One of our key focuses over the next five years will be to improve the competitiveness of this province's average assessment rate, while maintaining the current income replacement benefit level, as the gap to close here is much greater that the gap which exists on the income replacement rate side.

The overall plan results should include:

- a reduction of the rate and severity of injuries;
- a reduction in the number and duration of lost time claims;
- a reduction in the average assessment rate;
- the security of financial benefits for injured workers;
- the enhancement of services to workers and employers;
- an increase in satisfaction level of employers, injured workers and our staff; and
- a fully funded insurance program over a reasonable period of time.

2.3 Vision for 2002 through 2006

The years 2002 through 2006 should see us aggressively moving toward our strategic goals, through a staged set of initiatives, each demonstrating how they will contribute to our measurable strategic outcomes.

We will stage improvements in service delivery capabilities, in quality, and in fiscal management across the five-year horizon, ensuring that the spirit and intent of the recommendations in the Task Force report and the independent consultant's review have been achieved.

We will plan and estimate our initiatives appropriately, and their anticipated contributions will be linked directly to specific strategic goals through a new 'project governance' process, ensuring that we address the highest impact initiatives early.

We will review this view of the future annually, to ensure that it reflects our stakeholder priorities, changing environments, and our capacity to deliver.

2002

In 2002, we will implement our new early and safe return-to-work and labour market re-entry programs and the new assessment rate model will be applied to employers. These will place significant demands on our staff to respond to questions, concerns and issues from both employers and injured workers, and may inhibit us from any aggressive plans for new development projects during the first half of 2002.

The new prevention programs will have been rolled out during the year, and employers and workers will begin to adopt them as fast as they can.

Plans will also have been prepared for a more effective, integrated and user-friendly information system for staff dealing with claim files, probably developed and implemented in 2003.

2003

By end of 2003, prevention programs will be well established in the workplace, and the overall incidence and severity of work injuries will be reduced as a result of these initiatives.

Employers and injured workers are well established with the new early and safe return-to-work and labour market re-entry programs, and results are being seen from these programs in terms of increased compliance, reduced claim duration, and reduced costs of claims.

Initiatives to educate health care providers about their roles and responsibilities and introduction of memorandum of agreements will serve to introduce greater accountability in the system.

2004-2006

The latter three years of the plan will see us operating with a clear set of measurable objectives, and we will undertake only high-value strategic initiatives which will continue to contribute to achieving the incremental improvements required to meet the six key strategic goals.

The strategic planning process will be an annual revisit to the direction stated in this document,

and not a wholesale restatement after the end of the five-year window. The need to constantly realign the trajectory on a regular basis will ensure that there are no surprises or disappointments along the way.

We will be operating at maximum efficiency, utilizing an appropriate set of enabling technologies for employers, injured workers, service providers, and staff in order to deliver the highest quality service.

Our employees will be among the best trained and experienced of any Canadian workers' compensation jurisdiction, and will continue to have a high degree of job satisfaction and motivation.

Most importantly, the 'mindset' will have changed, both internally at the Commission, and externally with employers, workers, injured workers, government and the health care community. The fiscal challenges of 2001 will now be reversed and the path to a sustainable workers' compensation system will be clear.

2.4 Goals, Targets and Measures

The strategies stated in the previous section are supported by the following set of goals with targets and measurable objectives for each year until 2006.
Part of the process has to include measuring and monitoring the results of our efforts. This can only happen if measurable targets are set. The strategic plan process will establish key performance indicators that will track results and enable the Commission's departments to establish their own set of objectives to support the key goal areas.

By tracking our results, we will be able to make decisions to ensure what is planned is being executed and continues to meet our objectives. These results become a communication tool to inform our stakeholders and staff of the progress being made and should be a motivator as the impact of the combined efforts is shown .

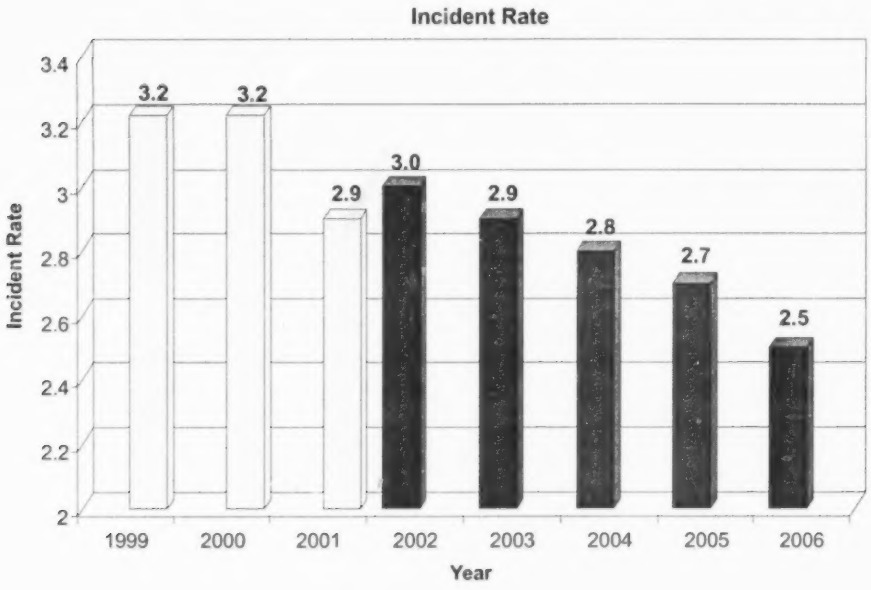
The following pages present in graphical form our planned Balanced Scorecard approach for tracking our progress over the next five years on our six identified goal areas.

Balanced Scorecard Tracking System

MISSION STATEMENT
Utilizing skilled, professional employees, in partnership with workplace parties, we will facilitate safe and healthy workplaces by assisting employers and workers to prevent accidents, and manage workplace injuries/illnesses and return-to-work processes.
Prevention Focus Achieving Results
Injured Workers and Employers Better Served
Financially Secure
MISSION
Stakeholders Sharing Responsibility for Changes
Commission Operating More Efficiently
Operating as the administrator of the workers' compensation insurance program, we will provide a reasonable level of benefits to injured workers and their dependents based on reasonable assessment rates for employers, while maintaining or exceeding service level performance when compared to other jurisdictions in Canada.
Knowledgeable Employees Satisfied and Retained

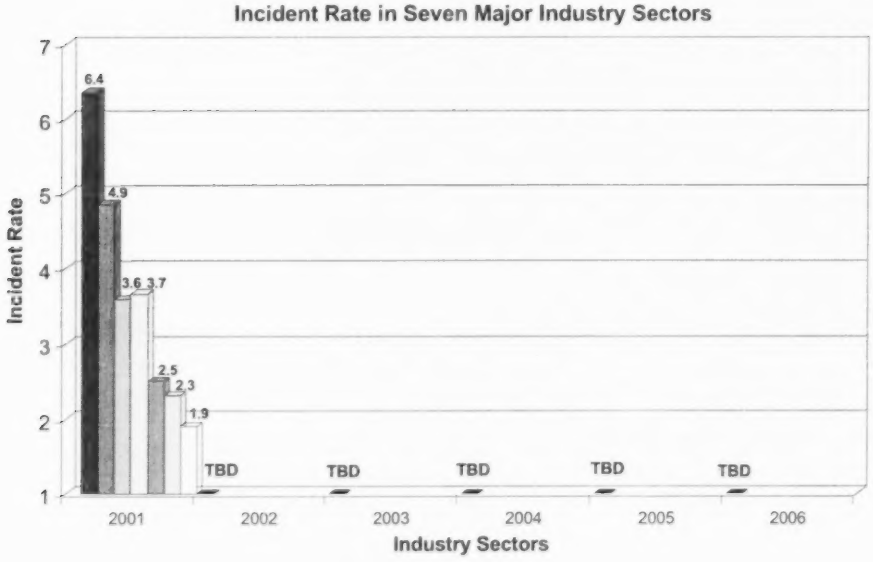
A - Prevention Focus Achieving Results

Goal A1 - Working with the Department of Labour to reduce the incident rate by 20% by 2006



Incident Rate *is the total number of lost-time claims multiplied by 100, divided by the number of persons employed.*

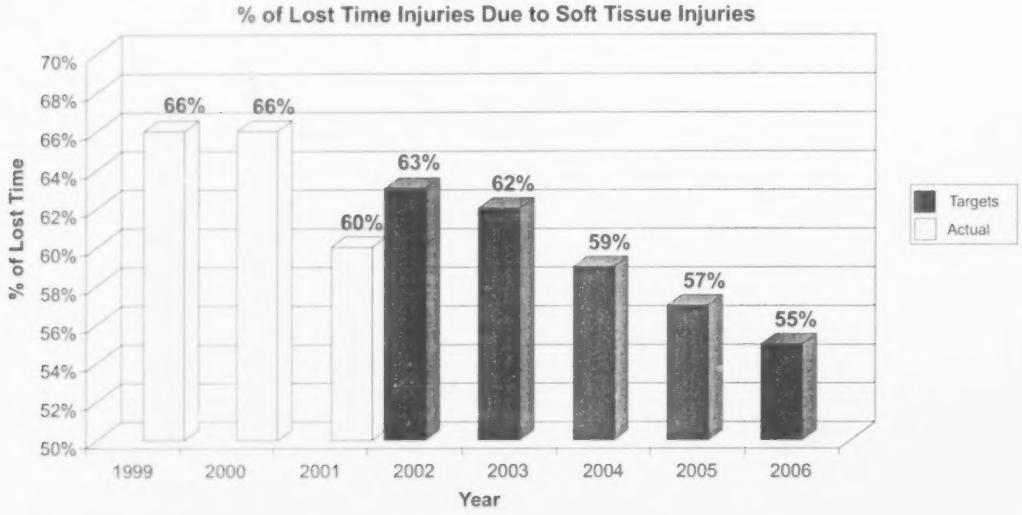
Goal A2 - Working with the Department of Labour to reduce the average incident rate in seven major industry sectors by a total of 25%



Targets to be established in 2002.

A - Prevention Focus Achieving Results

Goal A3 - Working with the Department of Labour to reduce soft tissue injuries as a % of lost-time injuries to 55% by 2006

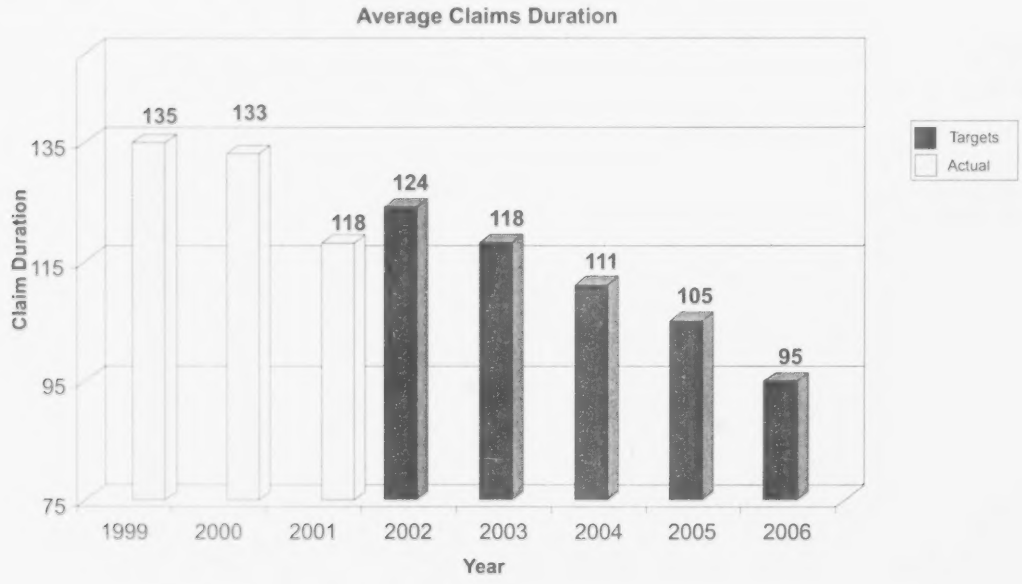


Goal A4 - Finalize and implement provincial accident prevention strategy

The target for 2002 is to finalize the plan and develop an implementation strategy. Implementation of the strategy will begin in 2003 with measurable targets set for years 2003 to 2006.

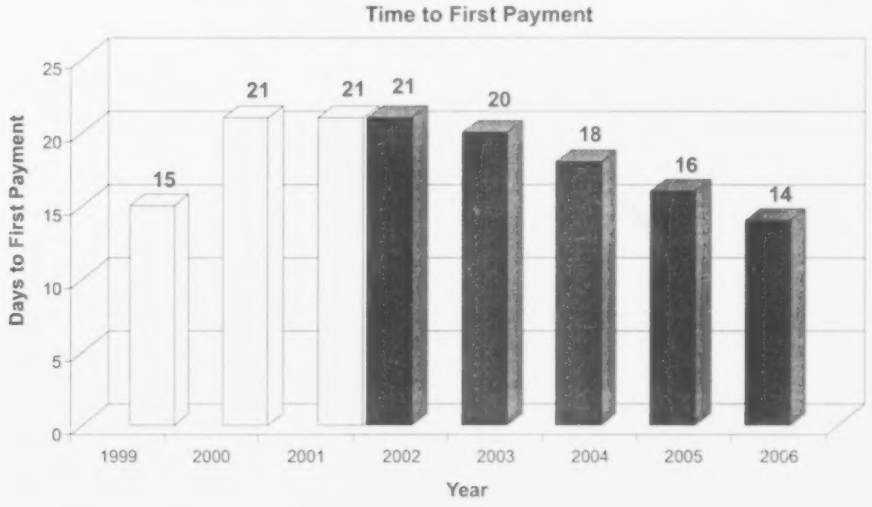
B - Injured Workers and Employers Better Served

Goal B1 - Reduce average duration of claims to 95 days by 2006



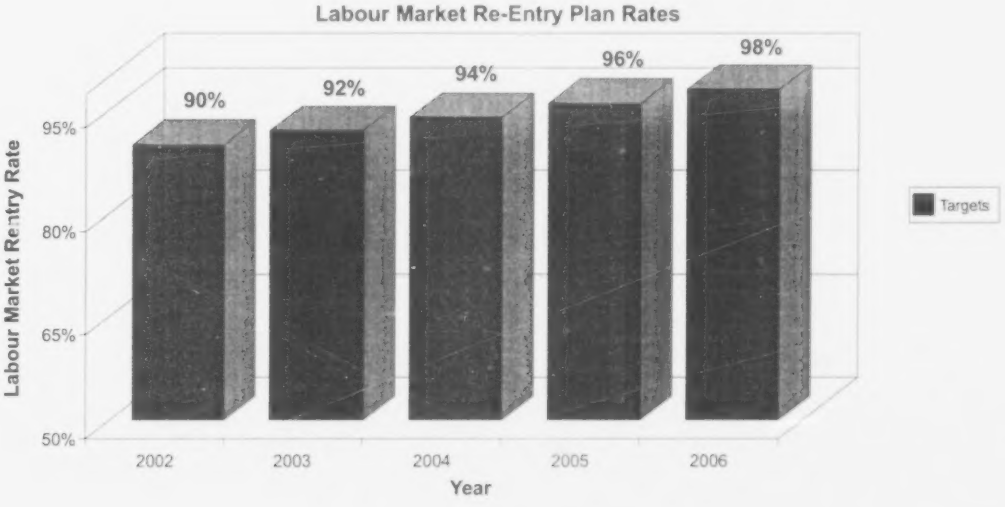
B - Injured Workers and Employers Better Served

Goal B2 - Time to first payment reduced to 14 days by 2006



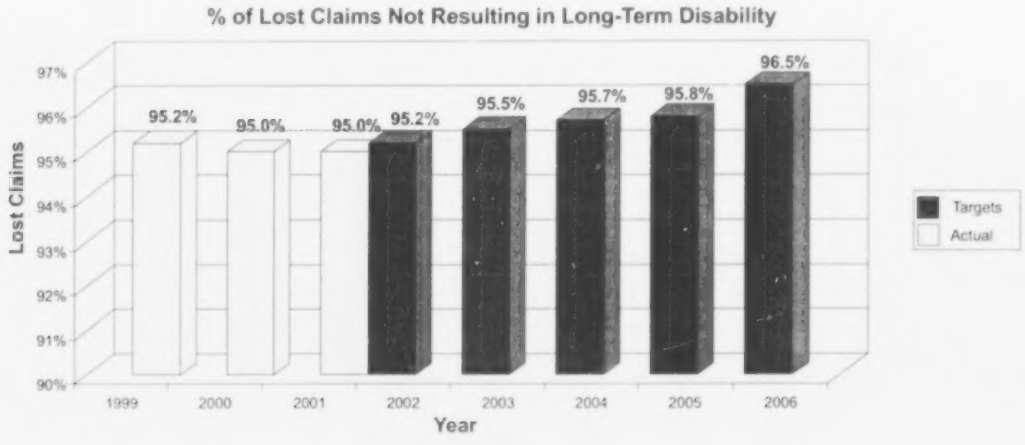
Time to first payment is the average number of calendar days from receipt of claim to issue of first payment.

Goal B3 - Percentage of workers entering Labour Market Re-Entry as of November 1, 2001 who have completed their plan or are continuing original Labour Market Re-entry Plan

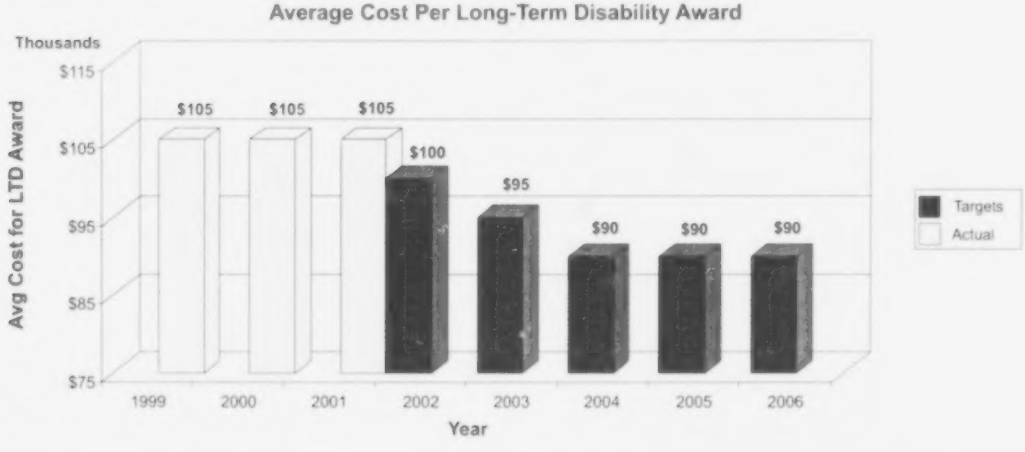


B - Injured Workers and Employers Better Served

Goal B4 - Percentage of lost-time claims per accident year, not resulting in long-term disability/extended earnings loss award (EEL) is increased to 96.5%

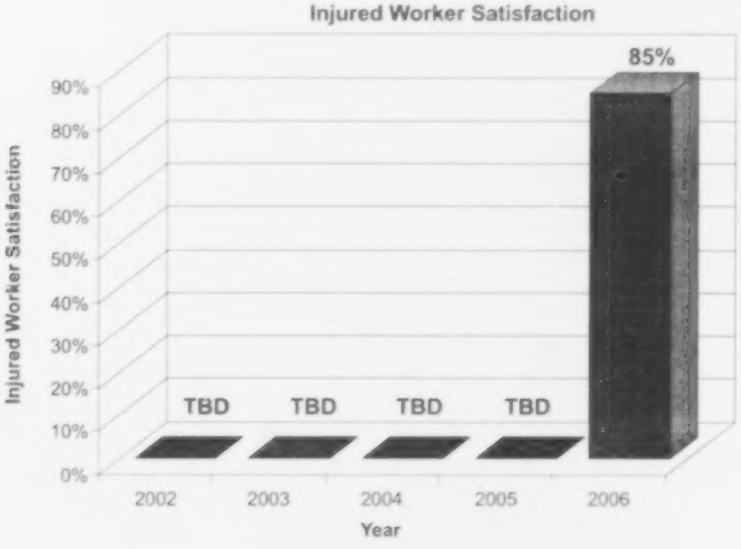


Goal B5 - Reduce the average cost per long-term disability/extended earnings loss award (EEL) by restoring injured worker's pre-injury earnings capacity



B - Injured Workers and Employers Better Served

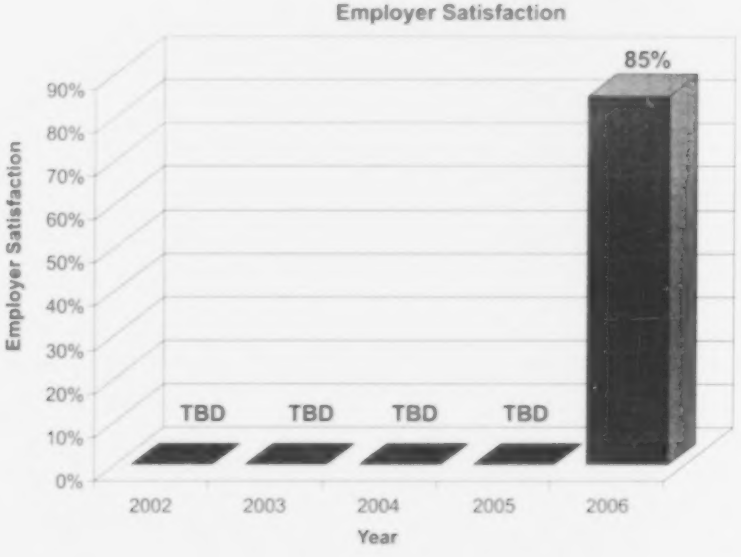
Goal B6 - Increase the average satisfaction level for injured workers



Baseline to be established in 2002 along with measurable targets for 2003 to 2005.

Targets

Goal B7 - Increase the average satisfaction level for employers

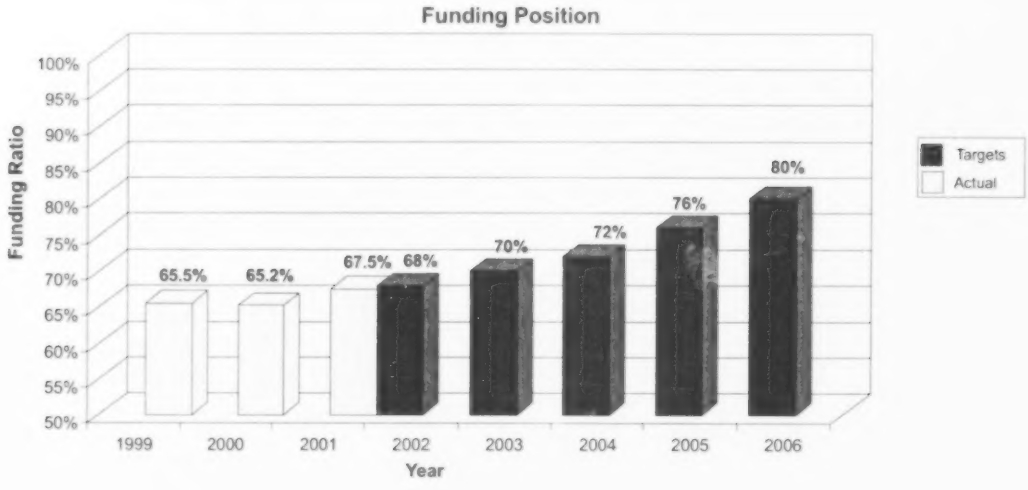


Baseline to be established in 2002 along with measurable targets for 2003 to 2005.

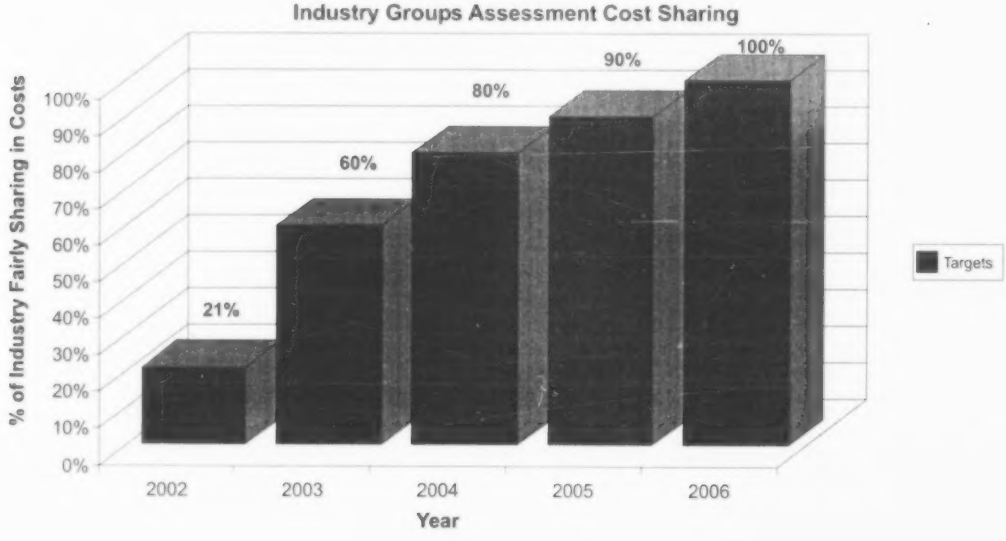
Targets

C - Financially Secure

Goal C1 - Increase funding position to 80% by 2006



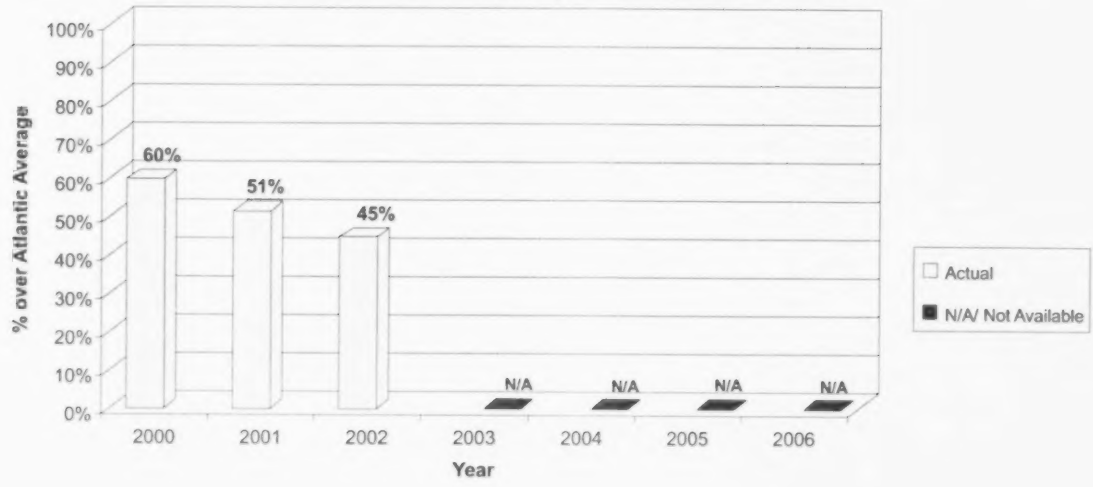
Goal C2 - All industry groups assessed their fair share of the cost of the system by 2006



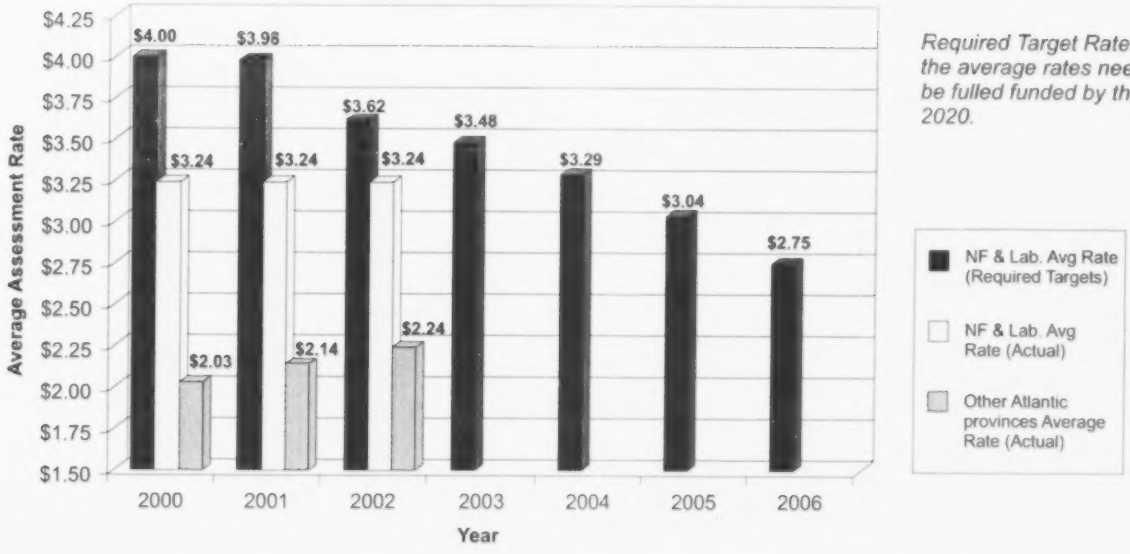
C - Financially Secure

Goal C3 - Reduce the competitive variance in the average "required" assessment rate when compared to the other Atlantic provinces

Percentage Difference in the Average Actual Assessment Rates Charged Compared with Actual Averages Charged by the other Atlantic Provinces



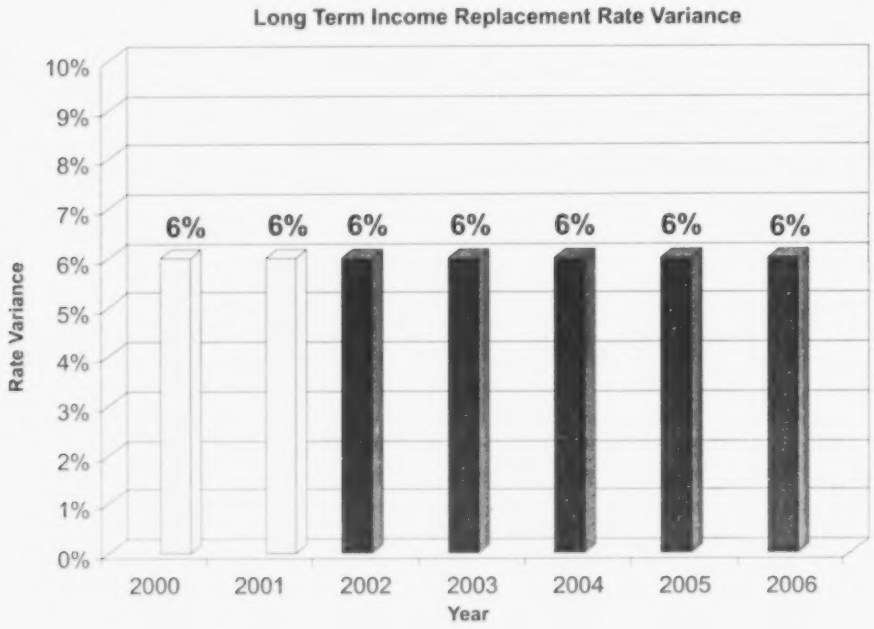
Average Assessment Rates



Required Target Rates are the average rates needed to be fulled funded by the year 2020.

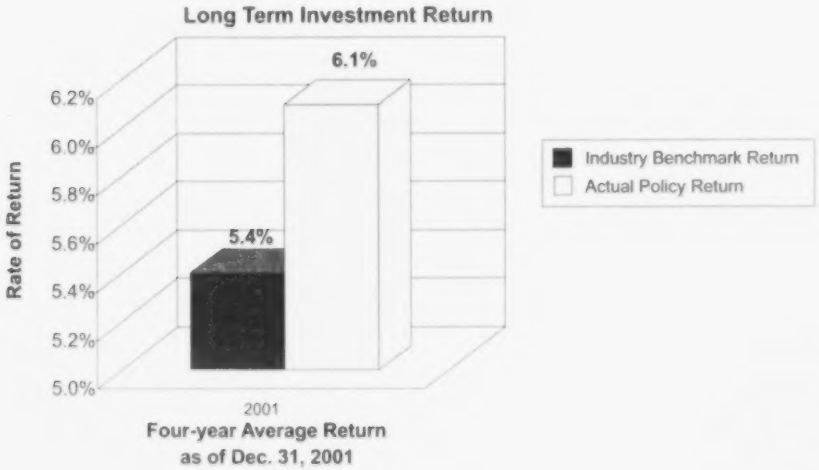
C - Financially Secure

Goal C4 - Maintain a competitive long-term income replacement rate variance when compared with the other Atlantic provinces



Income Replacement Rate Variance is the percentage difference between the Commission's 80% long-term income replacement rate and the 85% rate paid by the other Atlantic provinces expressed as a percentage of the other Atlantic provinces rate.

Goal C5 - Generate long-term investment returns that exceed the moving four-year-average return on established benchmarks



D - Stakeholders Sharing Responsibility for Changes

Goal D1 - Full employer and injured worker compliance with early and safe return to work (duty to co-operate)

Baseline to be established in 2002 along with measurable targets for 2003 to 2006.

Goal D2 - Full employer compliance with re-employment obligations

Baseline to be established in 2002 along with measurable targets for 2003 to 2006.

Goal D3 - Working with the Department of Labour to increase employer compliance with Health & Safety legislation regarding the establishment of OH&S committees and worker representatives and related training

Baseline to be established in 2002 along with measurable targets for 2003 to 2006.

Goal D4 - Enhance role of all health care service providers in the management of workplace injuries

Agreement with Physicians was signed during first quarter of 2002. Agreements with Physiotherapists and Work Service Rehabilitation planned for later in 2002.

E - Commission Operating More Efficiently

Goal E1 - The Commission utilizing the most appropriate and current technologies that enable users to achieve their business needs effectively

Baseline to be established in 2002 along with measurable targets for 2003 to 2006.

Goal E2 - Internal process improvement for information processing and access

Document Management review to be completed in 2002. Measurable targets for 2003 to 2006 to then be determined.

Goal E3 - Enhance internal controls through implementation of internal audit recommendations

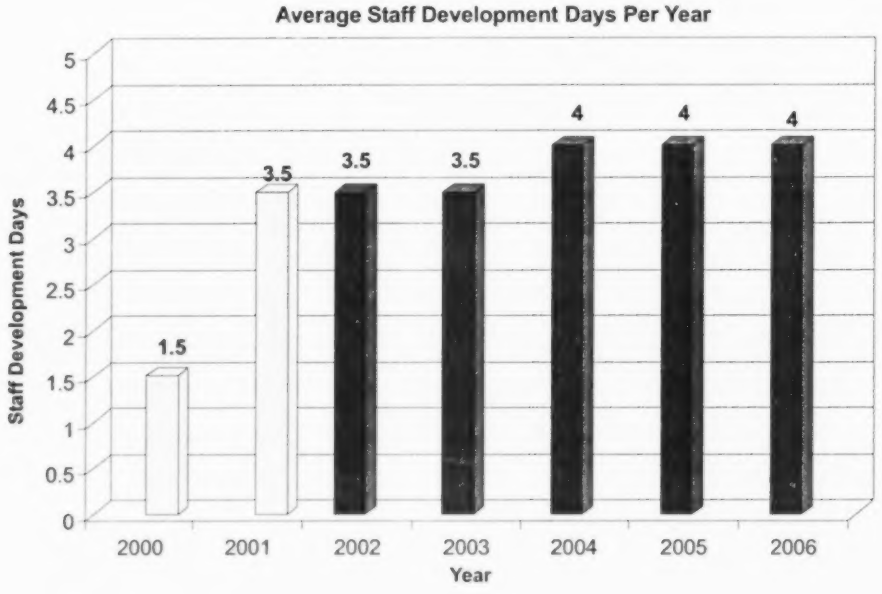
Measures to track implementation of Internal Audit recommendations to be developed in 2002 with measurable targets for 2003 to 2006.

Goal E4 - Ensure policies and procedures are current and effective

Baseline to be established in 2002 along with measurable targets for 2003 to 2006.

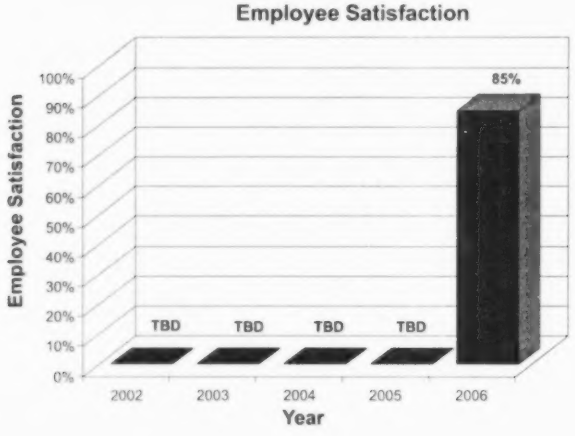
F - Knowledgeable Employees Satisfied and Retained

Goal F1 - Staff development averages 4 days per employee



Staff days is the total number of training days divided by number of full-time equivalent (FTE) days in the year.

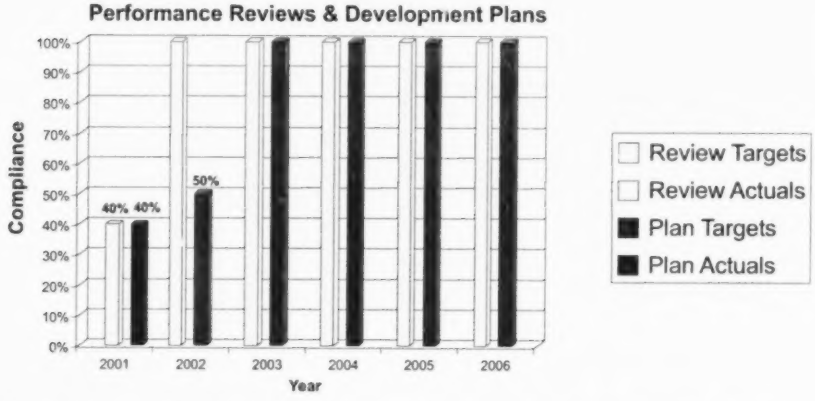
Goal F2 - Increase employee satisfaction



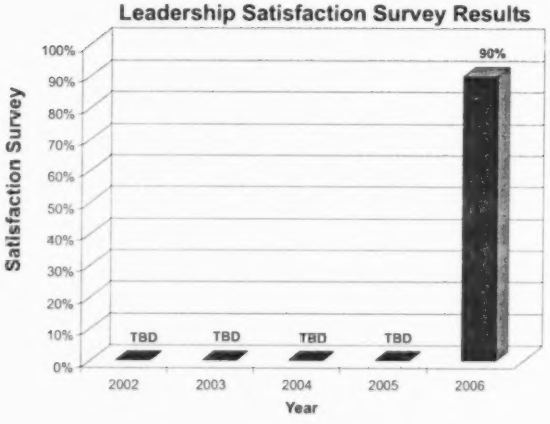
Baseline to be established in 2002 along with measurable targets for 2003 to 2005.

F - Knowledgeable Employees Satisfied and Retained

Goal F3 - Staff Performance reviews and development plans are completed annually

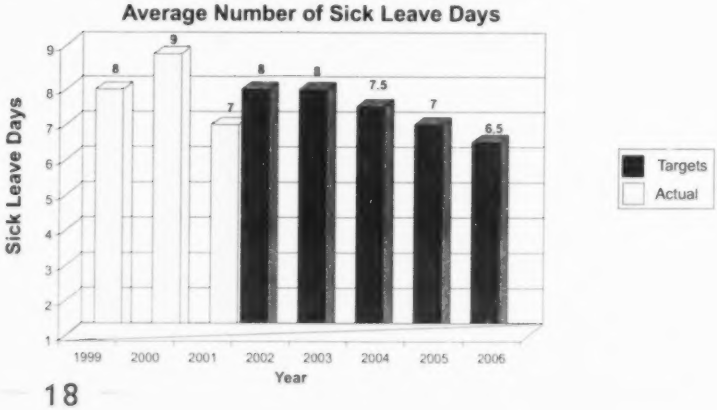


Goal F4 - Leadership development and succession planning is effective



Baseline to be established in 2002 along with measurable targets for 2003 to 2005.

Goal F5 - Reduce average number days of sick leave



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